



Utilities Privatization Perspective of a Regulated Utility



***Presented by Bill Eisele, CEM
South Carolina Electric & Gas
September 29, 2004***



Agenda

DESC World Wide Energy Conference 2004

- **UP Basics**
- **Program Improvements**
- **Making Progress**



General

DESC World Wide Energy Conference 2004

- **For an existing utility, this is simply an extension of the system on to private property**
- **Leadership within OSD and the Services continue to work to understand the issues**
- **Concerns are being addressed**



Program Improvements

DESC World Wide Energy Conference 2004

- **Bundled bid requirement - removed**
- **Due diligence cost - reduced, Government provides system data to develop the bid**
- **High cost of bid preparation with non-standard RFPs - cost is reduced with standard templates**
- **Federal taxes - policy guidance issued**
- **Pre-existing environmental conditions - clarified, government takes responsibility**



Program Improvements

DESC World Wide Energy Conference 2004

- **Rigid pricing requirements - pricing options now allow for tariffs and special contracts**
- **Different operating practices - standard utility operating practices can be proposed**
- **Unpredictable economic evaluation process - developed UPEAST model for evaluation**
- **AF Right-of-Way document - Right of Access**



Program Improvements

DESC World Wide Energy Conference 2004

- **Communication**

- Regular updates – management wants to know
- Recognize and understand utility constraints
- Resources required to respond to information requests
- Schedule
- Process



Making Progress

DESC World Wide Energy Conference 2004

- **Consistent application of policies in the field**
- **Limited government knowledge of utility accounting and operating practices**
- **Communication**



Summary

DESC World Wide Energy Conference 2004

- **Process is much improved**
- **A few “Show Stoppers” still exist**
- **Government and industry are working to remove obstacles that exclude viable competitors**



Questions?

DESC World Wide Energy Conference 2004

Bill Eisele, CEM

South Carolina Electric & Gas

(803) 217-9220

beisele@scana.com